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C O N F I D E N T I A L SECTION 01 OF 02 BAKU 001534

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SUBJECT: READOUT ON EU TROIKA VISIT TO AZERBAIJAN

REF: BAKU 01433

Classified By: Ambassador Anne Derse for reasons 1.4 b and d.

11. (C) SUMMARY: In an October 3 meeting with the Ambassador, EU Special Representative Peter Semneby reviewed the EU Troika's October 3 visit to Azerbaijan, in which the Troika announced the completion of negotiations on Azerbaijan's European Neighborhood Plan (ENP) Action Plan. During his private meeting with the Troika, President Aliyev affirmed Azerbaijan's pro-Western foreign policy orientation and reiterated his insistence that Nagorno-Karabakh cannot have full independence. Aliyev also relayed his concerns over Iran, telling the Troika that Iranian President Ahmadinejad told him that "I deliberately burned all bridges" on negotiations over his country's nuclear program. According to Semneby, Foreign Minister Mammadyarov is scheduled to attend an Action Plan signing ceremony in Brussels on November 14. (President Aliyev also will be in Brussels on November 8-9 to sign a EU-GOAJ Energy Memorandum and meet with the NAC.) Semneby said there will be approximately 50-100 million euros available for Azerbaijan in the next year as part of the ENP. END SUMMARY.

GOOD NEWS ON BAKU'S ACTION PLAN

12. (U) EU Special Representative for the South Caucasus Peter Semneby met with the Ambassador on October 3 to review the EU Troika's October 3 visit to Azerbaijan. The EU Troika was in Baku as part of a broader trip to all three South Caucasus states. The visit's purpose was to announce the successful completion of consultations on the European Neighborhood Plan (ENP) Action Plans with each country. A joint EU-GOAJ statement at the conclusion of the visit noted, "an agreement in principle has been reached on a final ENP Action Plan text. The necessary steps can now be taken in order to prepare the formal adoption of the Action Plan at the next EU-Azerbaijan Cooperation Council, to be held on the 14th of November in Brussels."

13. (C) Semneby was upbeat about the EU's next steps on Azerbaijan's ENP Action Plan. According to Semneby, the EU Commission has approved the text of the Action Plan and there will be a signing ceremony in Brussels on November 14. Semneby said that Foreign Minister Mammadyarov plans to attend the ceremony. He also noted that President Aliyev plans to be in Brussels November 8-9 to sign an EU-GOAJ Energy Memorandum. Despite the successful conclusion of the EU Troika visit, Semneby said that the visit itself had been uncertain until the very last moment, due to several unresolved issues (NOTE: Per Finland's roving Ambassador to the South Caucasus Terhi Hakala, Azerbaijan suggested last-minute changes to language regarding the

Nagorno-Karabakh conflict in response to language included in the Armenian Action Plan that nearly derailed the entire EAP. The Troika agreed to issue a statement at the Cooperation Council to address the GOAJ's concerns. - reftel.)

¶4. (C) Semneby said the amount of EU assistance for Azerbaijan under the ENP program has not been determined. There will be approximately 50-100 million euros per year available for each of the three South Caucasus states. He explained that it is difficult to provide a more precise figure because there is one budget for all countries included in the ENP program and the funding priorities are still unclear. (NOTE: The ENP program includes 16 countries, including the three South Caucasus states. The other states are close to the EU's borders in the Mediterranean Sea and the Middle East.) Semneby stressed that the funding will focus on institution-building. The specific funding details will be made public in November when Azerbaijan's Action Plan will be signed. Semneby was receptive to the Ambassador's comment on the importance of coordinating USG-EU assistance efforts.

EU TROIKA'S VISIT WITH PRESIDENT ALIYEV

¶5. (C) Semneby gave additional information on that day's EU Troika's meeting with President Aliyev. According to Semneby, Aliyev stressed the GOAJ's pro-Western foreign policy orientation, remarking that "without a western vector" to Azerbaijan's foreign policy, "we would be nothing." Aliyev also referred to Europe as Azerbaijan's "closest anchor" in its western foreign policy orientation. Semneby highlighted Aliyev's remark that the GOAJ "does not want to be lazy, self-confident, or arrogant" in approaching its

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commitments with the EU contained in the Action Plan. Semneby was upbeat that Aliyev's comment--combined with the Action's Plans inclusion of benchmarks and periodic reviews for measuring progress on the Plan's goals--could open the door to deeper EU engagement with the GOAJ on democratic progress.

¶6. (C) Aliyev shared his perspectives on Nagorno-Karabakh with the EU Troika. Regarding NK's status, Aliyev reportedly said that NK "can have anything (it) wants, just not formal independence." Semneby commented that Aliyev's statement may reflect an increased willingness to make compromises in settling the NK conflict. Semneby made the point to Aliyev that normalized ties between Azerbaijan and Armenia could benefit both countries, including lessening Russian leverage within the Caucasus region. Aliyev offered no comment on this point. Aliyev also highlighted the GOAJ's progress in providing (unspecified) assistance to the residents of NK.

¶7. (C) Semneby briefly discussed with Aliyev the recent Georgian-Russian row. Aliyev commented that the Georgians had not handled the spat well. Aliyev said that it would have been better for the GOG to have quietly and quickly turned the accused Russian spies over to Moscow. Speaking on the EU's perception of Georgia's relations with Russia, Semneby told the Ambassador that EU members generally view Sakaashvilli as being overly provocative. Semneby noted, however, that Tbilisi has an opportunity in the context of the current Georgian-Russian row to change this perception by constraining itself and refusing to overreact.

ALIYEV'S COMMENTS ON AHMADINEJAD

¶8. (C) Semneby noted that Aliyev made several points on Iran. Aliyev said he believes that based on his discussions with Ahmadinejad, Iran will never give up its nuclear program, despite the USG and other states' negotiating efforts. Aliyev said Iranian President Ahmadinejad told him that "I burned all my bridges" on the nuclear negotiations and

there's "no going back." Semneby said he understood this comment to mean that Ahmadinejad intentionally had derailed negotiations and had no intention of halting Tehran's nuclear ambitions. Aliyev also said to Semneby that Ahmadinejad was very different than former Iranian President Khatami. Whereas the former President and he would discuss poetry and art, Ahmadinejad only wants to talk about "weapons." Aliyev also stressed the need to incorporate Iran into broader regional programs to make Tehran's behavior more predictable.

¶9. (C) Aliyev said that Iran and other regional neighbors would take advantage of Azerbaijan if it introduced "full democracy." Aliyev said that the GOAJ needed "safeguards" to prevent Azerbaijan's neighbors from meddling in Azerbaijan's affairs. In response to the Ambassador's request for clarification on what Aliyev meant by "safeguards," Semneby noted that Aliyev did not elaborate on this point.

OSCE FIRES CBM A STEP FORWARD

¶10. (C) Semneby remarked to the Ambassador that the OSCE's ecological assessment mission (charged with investigating fires in the occupied territories) had arrived in Azerbaijan and was making progress toward beginning its mission. Semneby was hopeful that this mission could lead to additional confidence-building measures between the GOAJ and the GOAM.

COMMENT

¶11. (C) The successful conclusion of EU-GOAJ negotiations over the text of the ENP Action Plan will open the door to deeper EU engagement with the GOAJ. Enhanced EU-GOAJ engagement can aid in advancing the US interests of energy diversification and reform with the GOAJ. It will be important to coordinate US-EU efforts. Semneby was confident that EU will open an office in Baku early next year.

DERSE